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Automotive News

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Dealers face tax grief on service contracts

Entire price may be income, IRS maintains

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

The Internal Revenue Service is socking auto dealers with hefty tax bills, saying they owe back taxes and interest on the sale of some kinds of extended service contracts.

For some dealers the tab is in the hundreds of thousands of dollars. The IRS apparently is focusing on dealers selling extended warranties from either Ford Motor Co. or independently administered programs. As a matter of policy, the IRS does not discuss individual taxpayers or groups of taxpayers.

Ford is assisting dealers being audited by providing them with accounting information on the extended service contracts their dealers sold.

CONTRACT Casualties

Robert Zwiers, Motor Vehicle Industry Specialist for the Internal Revenue Service in Grand Rapids, Mich., confirmed that the IRS is taking a hard look at extended warranties nationally — and not only vehicle extended warranties — but all types.

The IRS position is that when a dealer is the principal on an extended warranty, rather than simply an agent for another company, the entire price paid by the retail customer must be treated as income, and costs must be deducted over the life of the contract.

The IRS apparently views a principal as a dealer who enters into an agreement with the retail customer for themselves. In other words, if it is between the customer and the dealer as opposed to the dealer acting on behalf of someone else.

Dealers audited by the IRS are skittish about discussing the issue publicly because they are appealing their tax bills.

But they blame the Bush administration's stand against tax increases, saying the IRS is raising revenues by finding new ways to

see DEALER TAX, page 55

Calibra is based on GM Europe's front-wheel-drive Opel Vectra and Vauxhall Cavalier.

BOOST FOR SAAB: *U.S. dealers may sell rebadged Opel Calibra*

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

MONTE CARLO, Monaco — Saab Automobile's beleaguered North American dealers will likely get a Saab-badged version of General Motors Europe's new Calibra coupe, *Automotive News* has learned.

Hot sales forecast for Calibra, Page 17

The Calibra, which is being introduced in Europe this month after a much-praised debut at last fall's Frankfurt auto show, could give a needed boost to Saab's American network.

Sources at Adam Opel AG, GM's West German subsidiary, and Saab Automobile confirm that the plan is under serious consideration. A decision is expected within six months. Insiders say they expect it to be approved.

The export models would come from the Saab-Valmet plant in Uusikaupunki, Finland, that next spring will be used to

see CALIBRA, page 54

Jeep-Eagle dealers demand a minivan

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

A product slugfest at Chrysler Corp. has Jeep-Eagle dealers demanding a version of Chrysler's minivan by Jan. 1, 1991 — and Dodge and Chrysler-Plymouth trying to fend them off.

"We need product, and we need it as soon as possible to sustain ourselves in a difficult market," said Paul Fournier, chairman of the Jeep-Eagle National Dealer Council, who confirmed the product request.

Countered Rick Tomkinson, chairman of the Chrysler-Plymouth National Dealer Council: "You can't have one division going into another division's pantry. Jeep-Eagle just can't go cherry-picking everybody's inventories."

Added Ken Meade, chairman of the Dodge National Dealer Council: "The Dodge dealer council thinks giving the minivan to Jeep-Eagle is a franchise breaker. We think it is a dilution of the Dodge product line."

For the first time, Jeep-Eagle dealers are also asking for a version of the A-body Dodge Spirit/Plymouth Acclaim/Chrysler LeBaron sedans.

The dealers also want Chrysler to kill the Jeep Comanche and replace it with a version of the Dodge Dakota pickup by the spring of 1991.

"A spring 1991 introduction of a short-wheelbase, long-wheelbase, regular and extended cab Dakota is needed immediately for Jeep and Eagle survival," said one Jeep-Eagle dealer source.

Jeep-Eagle dealers are also adamant that their base four-door Cherokees continue to be priced below competitive four-door Ford Explorer and Chevrolet S-10 Blazer models. Base prices of the two-wheel-drive and four-wheel-drive four-door 1990 model Cherokees are currently slightly below those of the four-door Explorer and Blazer S-10, which were introduced as 1991 models.

> "You can't have one division going into another division's pantry."
>
> **Rick Tomkinson**
> Chrysler-Plymouth dealer council

A spokesman for Chrysler Corp.'s Jeep-Eagle division declined comment on the dealers' product requests.

The company has not formally responded to the dealers' written petition, dealers said.

Since 1987, when Chrysler acquired American Motors Corp. and created the Jeep-Eagle franchise,

see DEALERS, page 56

Ford joins GM in rental buyback program on '91 models

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. told dealers last week that it will offer to purchase all 1991 program vehicles from daily rental-car companies except Ford Escort and Mustang GT and Mercury Tracer and Capri.

Ford's announcement follows a similar announcement by General Motors three weeks ago. GM offered to repurchase all 1991 GM program vehicles from the rental companies. It also signals Ford's growing concern about GM's aggressiveness in the fleet market.

In the past, Ford has repurchased 50 to 75 percent of the rental vehicles.

While the change was hailed by Ford and Lincoln-Mercury dealers, it puts Ford in a curious position with Hertz Corp. Ford owns 49 percent of Hertz, the largest daily rental company. Hertz operates 97 resale car lots — the most in the rental car industry — and purchases 100,000 to 200,000 Ford vehicles annually.

Craig Koch, president of Hertz's North American Rent-A-Car Oper-

see BUYBACK, page 58

The Presidents
Candid conversations with top guns at the Big 3, Saturn Corp. and the Motor Vehicle Manufacturers Association are featured in Insight, which follows Page 30.

t first you don't succeed:
n he took the reins of Oldsmobile last year, J. Michael Losh
dicted a rebound. Then market share plunged to a new low.
Losh is confident 1991 is the dawn of a new era. Page 3.

NEWSPAPER

Crash parts clash

Makers, insurers face off over patent bill

By Helen Kahn
SENIOR CORRESPONDENT

WASHINGTON — Automakers last week called for design patent protection for crash parts — the hoods, doors, fenders and grilles most often damaged in more than 35 million highway crashes each year.

The insurance industry took the other side in a House Judiciary subcommittee hearing. Both camps testified on a package of bills intended to protect industrial design and patents.

Automakers said copied crash parts aren't as good. Insurers said the parts are tested for quality and save consumers a bundle.

Kenneth E. Myers, marketing manager for Ford Motor Co.'s Parts and Service Division, said the imitation crash parts aren't exact copies. Speaking on behalf of the Motor Vehicle Manufacturers Association, he said the makers of imitation sheet metal — mostly in Taiwan — "have no investment in the design, engineering and testing of parts but simply copy someone else's efforts."

But State Farm, the nation's biggest property and casualty insurer and a major buyer of crash parts, accused the automakers of trying to retrieve a monopoly lost in the early 1980s.

State Farm vice president C.A. Ingham said prices of original equipment manufacturer's parts plunge when non-OEM makers enter the market.

He cited a Dodge Aries fender as an example. The part cost $221 from Chrysler in 1983, dropped to $180 in 1984 when competition first appeared and sold for $87 in 1986. The non-OEM Aries fender sold for $79 in 1986, Ingham said.

The total annual crash parts market is about $9 billion, about three-quarters of which represents insurers. Even though there is

see PARTS, page 56

Sentra sibling

Nissan's new Presea replaces the aging Liberty Villa and Langley, two versions of the Sentra that are sold in Japan. Nissan says there are no plans to sell the specialty sedan beyond Japan. Presea's dimensions position it between Sentra and Stanza. It will compete with Toyota's fashionable Carina.

Firings, retirements of GM workers linked to stock scam

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Dennis Peterson, a 22-year employee of General Motors before he was fired in April, wants to clear his name.

GM dismissed the 43-year-old Peterson April 4, charging he was part of a stock scheme involving the company's savings program. Peterson claims he is innocent and intends to prove it.

Peterson is one of at least three former salaried employees of GM's stamping plant in Chicago who were dismissed for their alleged participation in the scheme in October 1988. Other salaried employees at the plant allegedly involved in the scheme retired or just left the company.

Similar allegations led to the departure of nine salaried workers at the Chevrolet-Pontiac-Canada Group plant in Bay City, Mich., including the plant manager, Patricia Carrigan, in April.

The alleged scheme involves employees signing GM stock-purchase forms and dating them weeks earlier to take advantage of changes in stock prices.

The *Flint Journal* in Flint, Mich., reported that two former Chicago workers other than Peterson confirmed they had been dismissed over the scheme. One said he was told to back-date transactions because it was permitted. The second said he had no knowledge of the back-dating. Both denied there was any conspiracy to make the transactions.

The newspaper also reported that former Bay City, Mich., employees acknowledged they backdated records to benefit themselves. Some of those employees were fired; others retired.

The departures of the Bay City and former Chicago employees came at about the same time as the departure of Nelson Gonzalez, former plant manager of the Buick City complex in Flint, Mich. Gonzalez managed the Chicago plant before it closed.

Gonzalez told the *Flint Journal* he was unaware of dismissals linked to the stock savings program. He said his retirement was unconnected to the departures of other employees.

GM refuses to discuss the employee departures or the alleged stock scheme.

But in the past two weeks, GM issued a memo reiterating its policy on transactions involving the employee savings program. The notice said investment transfers take effect only on the 15th day or the last day of a month. Changes made between those dates don't take effect until the next deadline.

Peterson, who went to work for GM as an hourly press operato and worked his way up the sala ried ranks to a $73,000-a-year su perintendent position, said he wa unaware of any stock scheme.

A letter to Peterson, signed b Richard F. O'Brien, GM vice pres dent of the Personnel Administra tion and Development Staf charges that Peterson collude with others to back-date the trans actions. Specifically, GM claim Peterson realized an extra $4,50 profit from the sale of nearly $40 000 worth of stock in October 198 by back-dating forms.

Peterson said he did not back date the forms. He said he told th

see GM STOCK, page

Chrysler exec predicts more maker alliances

TORONTO — A Chrysler Corp. executive last week made the case for an "innovative combination" of automakers that are adapting to compete globally.

Robert A. Perkins, Chrysler vice president for Washington affairs, suggested that automakers that rely too heavily on their home markets violate an auto industry principle that a company's home market should account for about half its sales.

He presented charts showing that of the world's 15 largest automakers, Chrysler and Italy's Fiat Auto S.p.A. are the most dependent on their home continents.

"Clearly, many more joint ventures or strategic alliances are likely," Perkins told the annual meeting of the Society of Automotive Analysts.

His comments were particularly timely because of reported talks between Chrysler and Fiat. Executives of the two companies are known to be discussing expanding their current relations.

Perkins told the analysts he had no inside knowledge of the talks.

But in general terms, he made the case for expanded relations between companies that are strong in only one of the world's three major markets: North America, Western Europe or Asia.

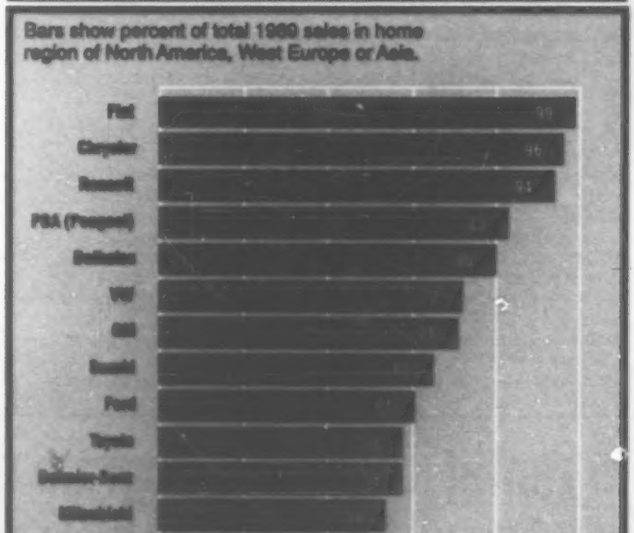
> Automakers that rely too heavily on their home markets violate a principle that a company's home market should account for about half its sales.
>
> **Robert A. Perkins**
> Chrysler Corp.

The combination of two companies that are strong in separate markets could quickly create an operation that would have the desired half of sales in its home market, Perkins said.

He suggested that many combines could become one of the world's four largest automakers.

In 1989, the fourth through the 12th largest automakers each had a worldwide market share ranging from nearly 3 percent to just over 6 percent, Perkins said. Many combinations of two of those nine could result in the world's third or fourth largest automaker, he said.

Reliance on home region sales



Perkins' listing of the top automakers had General Motors leading with 16.3 percent of the worldwide market, followed by Ford Motor Co., 13.5 percent; Toyota Motor Corp., 9.0 percent; and Volkswagen A.G., 6.3 percent.

Chrysler was seventh with 4.7 percent, followed by Fiat, 4.6 percent.

Fiat rumors ignite trading of Chrysler stock

Chrysler Corp. stock prices fluc tuated last week following report that the company was involved i unspecified negotiations wit Italy's Fiat Auto S.p.A.

Chrysler's common stock pric rose from $15.13 per share Jun 15 to $16.63 per share at closin June 19 following the reports earl last week.

The stock dropped to $16.25 a closing June 20, but closed a $16.38 Thursday on moderatel heavy volume.

Volume was heavy early in th week, with 1,699,800 shares trade Tuesday. Average daily volume fo Chrysler is about 600,000 share said Ronald Glantz, auto analys with Dean Witter in San Fran cisco.

Speculation within the industr has ranged from the possibility o Fiat taking an equity stake i Chrysler to the two automaker making distribution and product development agreements in Nort America and Europe.

The reports became widespres after Chrysler and French auto maker Regie Nationale des Usine Renault announced June 12 tha they have terminated their $50 million, 50-50 joint venture to pro duce and distribute a mini sport utility.

New Mustang likely to gallop on upgraded platform

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

The much-discussed future of Ford Motor Co.'s Mustang is coming into clearer focus at the company's Dearborn, Mich., headquarters.

Sources at both supplier and factory levels say Ford is leaning toward a proposed project called the SN95 that would replace the current Mustang in the 1995 model year.

But instead of building a new $2 billion rear-wheel-drive platform, Ford is tentatively planning to use an improved version of its present platform.

The current Mustang platform was introduced in 1978. Sources say the car, as currently planned, would have an all-new exterior, quite different from its current one.

Ford planners' first choice for the future Mustang is to improve the present platform, sources say.

Their second choice is to use an all-wheel-drive version of the CDW27 (Tempo/Topaz/Sierra replacement). The CDW27 is engineered by Ford of Europe. It will be introduced in Europe in 1993 and in the United States in 1994.

For Mustang, the awd CDW27 is less desirable because it weighs and costs more than the current car.

Weight is becoming a big issue in determining a car's fate at Ford, because higher Corporate Average Fuel Economy mandates are quite possible. Current Mustang EPA ratings range from 17 mpg (5.0-liter engine, city driving) to 29 mpg (2.3-liter engine with five-speed transmission, highway driving).

Ford is also carefully monitoring engineering budgets after recent product programs involving the 1989 Thunderbird and 1991 Escort came in over budget.

An awd version of Thunderbird, which had been scheduled for the 1991 model year, was canceled earlier this year because it exceeded weight and cost limits.

The Mustang program has been up in the air since 1988, when Ford decided to introduce the Mazda-based Probe as a separate car from the Mustang.

The Probe was to have replaced the Mustang, but an outcry from Mustang supporters convinced Ford that there was still a market for a small, rear-wheel-drive American sporty car.

Despite the support Ford is showing for Mustang, its sales have fallen steadily. Through May of 1990, Ford sold 52,925 Mustangs and 50,836 Probes. For the same period in 1989, Ford sold 81,910 Mustangs and 56,933 Probes.

BOTTOMING OUT

'90 has been rough, but Mike Losh, Oldsmobile chief, sees better year ahead

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Next year could mark a turnaround for Oldsmobile.

In the 1991 model year, Oldsmobile, in an attempt to end its sales slide, will:

- Introduce three new products — the Bravada sport-utility, a redesigned 98 luxury car and a redesigned Custom Cruiser wagon.
- Possibly reduce prices on some models.
- Stick with its current "New Generation of Oldsmobile" ad theme but emphasize competitive comparisons;
- Use a mix of consumer, dealer and regional incentives.

J. Michael Losh, who became Oldsmobile general manager June 1, 1989, expected the 1990 model year to mark a turnaround for the division, but Olds sales have continued to spiral downward.

They dropped from a record 1,066,122 in calendar 1985 to 600,037 in calendar 1989. The division's share of the car market plummeted from 10.97 percent in 1983 to a 19-year low of 6.08 percent in 1989.

For calendar 1990 through June 10, Oldsmobile car sales, excluding the Silhouette, totaled 235,415, down 17.21 percent from a year earlier.

Losh now calls last year's prediction "rash." He blames Olds' continuing slide on the industry's sales slump.

> We need to have major introductions — additions and replacements to our product line every year.
>
> **J. Michael Losh**
> Oldsmobile general manager

Oldsmobile's 1990 sales decline is about three times as great as that of the industry as a whole. Oldsmobile car sales as of May 31 were down 16.35 percent from last year. Total industry car sales were down 5.28 percent.

"I'm not quite sure that I fully understood the impact of all the competitive pressures — that they were going to be as intense as they have turned out to be," Losh said in an interview.

Nevertheless, he believes Oldsmobile sales will improve in the 1991 model year if industry sales plateau at the 1990-model-year level. He won't make specific predictions on Oldsmobile's performance.

"We have strong new products," Losh said. "And we need to do that every year. We need to have major

see OLDSMOBILE, page 53

AUTOMOTIVE NEWS/JOE WILSKENS

Oldsmobile General Manager J. Michael Losh stands beside the division's new Cutlass Supreme convertible.

Olds job tough, but not his toughest, Losh says

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — J. Michael Losh says his job as general manager of floundering Oldsmobile Division isn't the easiest he's ever had.

But it isn't the toughest either, says the 44-year-old executive.

After holding a number of posts on GM's financial staff, Losh took over as director of GM do Brasil in the summer of 1979. The following December, the government made its first major monetary devaluation, sending the economy into a tailspin "that maybe isn't over yet," says Losh.

He became deputy managing director of General Motors de Mexico in the summer of 1982 and on Sept. 1, the Mexican government nationalized the banking system, turning the economy upside down.

"So I wouldn't say at all that this (Oldsmobile job) has been the most difficult," Losh says with a chuckle.

He took over at Oldsmobile June 1, 1989, after five years as general manager of Pontiac.

During his tenure at Pontiac, the division's sales climbed. It captured the No. 3 spot in industry car sales from Oldsmobile.

Last year, Losh thought Oldsmobile's sales had bottomed out and that they would begin to climb in the 1990 model year. But they have continued to fall.

Oldsmobile's woes reached a fever pitch during the division's make meeting at the February convention of the National Automobile Dealers Association. About a third of the 150 to 200 people at the meeting walked out, angry at Losh for his responses to their questions and complaints.

Despite the division's problems, Losh is confident of a turnaround in the 1991 model year, and he finds the job fulfilling.

see LOSH, page 53

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Mercedes says minivan project is low on the list, but not dead

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

HOCKENHEIM, West Germany — While Mercedes-Benz AG officials weigh the pros and cons of building a minivan, the idea appears to be low on the company's priority list.

Last week, Bruno Sacco, director of Mercedes-Benz design, said he doubted Mercedes would produce a minivan.

And Wolfgang Peter, the Mercedes-Benz management board member in charge of research and development, said the company's priorities are to replace the present full-sized S-class line, entry-level 190 series and mid-sized 300 series.

"If you look at the upcoming S class and the successor to the

you can see where the priorities are," Peter said.

But the idea has not been killed, he said.

Peter noted that the U.S. minivan market is approaching 1 million units a year.

"A market like that cannot be neglected by a company like this," Peter said.

"If there is capital enough, if there is time enough, and if there is manpower enough, we will be able to consider it."

He said Mercedes still has to determine design, price and volume for the proposal.

The company has said a decision will be announced soon.

Mercedes has been wrestling with such issues as how to create upscale — but profitable —

Hyundai growing up

Dealer body, lineup will double by '93

By William R. Diem
ASSISTANT MANAGING EDITOR

SANTA MONICA, Calif. — Hyundai Motor America plans to more than double its dealer body and model lineup by the end of 1992.

The company now has 331 dealers and two products: Excel and Sonata. By late 1992, it plans to have 750 to 775 dealers and at least two more cars: the Scoupe, to be introduced this summer, and the code-named J-car sedan, scheduled for arrival in spring 1991 as a 1992 model.

Hyundai loses exec to Infiniti, Page 53

"We are right on course in our plans to become a full-line automotive manufacturer," said H.W.

Scoupe, once code-named SLC for Sporty Looking Car, is a two-door based on the Excel platform. Ital Design shaped it, and Lotus Engineering put it on springs.

Like Scoupe, the J-car will be positioned between the subcompact Excel and the mid-sized Sonata. "Toyota has Tercel, Corolla and Camry," said Rod Hayden, the chief operating officer who came out of retirement from Mazda Motor of America Inc. to join Hyundai in January. "The J-car will be our Corolla."

Hyundai advertising is now emphasizing value instead of low prices alone.

"We all know you can't diversify if your name is synonymous only with low price," said Hayden. "What you can live with and grow

Clear coat paint shop planned for Tempo/Topaz plant in Canada

OAKVILLE, Ontario — Ford Motor Co. of Canada plans to build a clear coat paint shop for its assembly plant here, beginning in late July. The new shop will enable Ford to apply clear coat paint on Tempo and Topaz cars built at Oakville.

Ford of Canada President Kenneth Harrigan said Ford of Canada's board of directors is expected to vote on the proposal in July.

The new paint facility, if approved, will be the largest single investment Ford has made at a Canadian facility. It is expected to cost more than the $300 million Ford spent on a similar installation at St. Thomas, Ontario.

The St. Thomas plant builds the Ford LTD Crown Victoria and Mercury Grand Marquis.

A Ford spokesman said the Kansas City, Mo., assembly plant, is the only plant that now can apply clearcoat to the Tempo and Topaz.

Completion of the new paint facility is set for fall of 1992.

Ford officials have confirmed that the company would like to build the replacement for the Ford Aerostar, code-named WIN88, at Oakville. The WIN88 is based on the next-generation Taurus wagon and is scheduled to be introduced in the 1994 model year.

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Datsun/Nissan	1,198	105	Pontiac	3,012	165
Dodge	2,704	150	Renault	529	105
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Honda	999	105	Toyota	1,174	105
Isuzu	598	105	Volkswagen	845	105

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Country	Trade	Feb. 1989	Feb. 1990	Annualized trade March 1988-Feb. 1989	Annualized trade March 1989-Feb. 1990
Japan	from U.S.	$ 26,346	$ 50,852	$ 300,989	$ 380,904
	to U.S.	1,883,007	1,650,054	23,129,122	22,349,804
Canada	from U.S.	769,370	740,019	7,920,101	7,611,117
	to U.S.	1,756,483	1,526,097	17,126,704	18,066,336
Mexico	to U.S.	118,260	105,036	1,227,869	1,325,999
West Germany	to U.S.	478,998	415,298	6,228,351	4,997,256
South Korea	to U.S.	185,972	96,650	2,397,451	1,333,075
Sweden	to U.S.	171,959	181,940	1,856,081	1,535,488
Yugoslavia	to U.S.	6,928	59	75,646	163
United Kingdom	to U.S.	97,627	79,067	955,915	923,562
Italy	to U.S.	17,416	23,027	147,997	274,673
France	to U.S.	6,347	1,079	171,511	41,767
Brazil	to U.S.	19,602	5,826	320,443	259,687
Others	from U.S.	213,629	171,678	1,278,428	2,574,835
	to U.S.	36,597	38,883	424,181	633,788
Car and truck total	from U.S.	1,009,346	962,549	9,499,519	10,566,855
	to U.S.	4,779,199	4,150,017	54,041,274	51,748,597
VEHICLE TRADE BALANCE		(3,769,853)	(3,187,468)	(44,541,755)	(41,181,742)
Car total	from U.S.	810,360	835,030	7,515,138	8,861,234
	to U.S.	4,028,324	3,574,401	46,887,910	43,472,969
CAR TRADE BALANCE		3,217,964	(2,739,371)	(39,372,772)	(34,611,735)
Truck total	from U.S.	198,986	127,519	1,984,381	1,705,621
	to U.S.	750,875	575,616	7,153,364	8,275,628
TRUCK TRADE BALANCE		(551,889)	(448,097)	(5,168,983)	(6,570,007)
TOTAL U.S. Merchandise trade	from U.S.	28,581,900	31,629,500	330,678,000	370,605,600
	to U.S.	37,502,500	38,115,800	445,072,500	477,964,400
TRADE BALANCE		(8,920,600)	(6,486,300)	(114,394,500)	(107,358,800)

Auto trade deficit drops 15.4%

Monthly gap falls to $3.1 billion; U.S. car exports to Japan up

WASHINGTON — The U.S. automotive trade deficit in passenger cars and light trucks improved 15.4 percent in February.

The latest automotive trade figures released by the U.S. Commerce Department show nearly every major vehicle-producing nation — with the exception of Italy — suffering a drop in the number of vehicles shipped to the United States.

The number of cars shipped to the United States was down 16.7 percent and light trucks fell 29.6 percent. The overall value of those vehicles was down 13.2 percent from February 1989.

That helped reduce the overall vehicle trade deficit for the month to $3.18 billion, compared with $3.77 billion in February 1989.

On an annualized basis, the automotive trade deficit stood at $41.18 billion for the 12-month period ended in February. This compares with a $44.54 billion deficit for the same period ended February 1989, a decline of 7.5 percent.

Vehicle shipments from Japan fell by more than 24,000 units to 184,512 for the month. The value of those vehicles declined 12.4 percent.

The number of vehicle shipments from Canada fell 12.1 percent to 133,598 units. Their value decline 13.1 percent.

The value of monthly vehicle imports fell 13.3 percent from West Germany; 48.0 percent from South Korea; 5.8 percent from Sweden; 11.2 percent from Mexico; 99.1 percent from Yugoslavia; 19.0 percent from the United Kingdom; 83.0 percent from France; 70.3 percent from Brazil; and 6.2 percent from nations identified as "others" by the Commerce Department.

The value of passenger cars shipped to Japan increased 93 percent. The U.S. sent nearly 3,000 cars to Japan in February 1990, compared with fewer than 1,900 during February 1989.

Exports of U.S.-manufactured light trucks hurt overall export performance, however. The total value of light truck shipments fell 35.9 percent.

Exports of passenger cars declined 5.2 percent to Canada and 18.8 percent to nations identified as "others" by the Commerce Department. Exports of light trucks fell 39.9 percent to Canada and 69.2 percent to all other nations.

On an annualized basis, U.S. exports stood at 913,030 vehicles as of February 1990. Annualized imports were 4,757,695 vehicles for the same period.

Land Rover opens Canadian sales network

By Alex Law
STAFF CORRESPONDENT

MISSISSAUGA, Ontario — Land Rover Canada Inc. officially begins operations this week.

The company has seven dealers in six cities. It expects sales of the British-built Range Rover luxury sport-utility to total about 250 a year initially.

Dealers in Montreal; Toronto; Oakville, Ontario; Calgary, Alberta; Halifax, Nova Scotia; and Vancouver, British Columbia will sell the standard Range Rover for about $60,000 ($51,085 U.S.) and the County for about $65,000 ($55,342 U.S.), said Roger Ball, Land Rover Canada general manager.

Ball was launch manager for Range Rover in the United States when it began operations five years ago. The vehicles, built by the Rover Group PLC unit of British Aerospace PLC, are priced at $38,025 and $43,100 in the United States.

"We're coming in at the top of a growing sport-utility market in Canada," said Ball. He said Canadian sport-utility sales increased 60 percent from 1986 to 1989, to more than 82,000 units. "If the same rate of growth continues, some 100,000 sport-utilities will be sold in 1991," Ball said.

There are no immediate plans to add the two-door Discovery model to the line, either in Canada or the United States, Ball said.

Even though the 25 percent U.S. tariff on imported two-door sport-utilities would not apply in Canada, Ball said he can't bring the vehicle in because he's "piggybacking" so much of his operation (parts and warranty) on the United States and couldn't afford to go it alone.

Range Rover Canada is a subsidiary of Range Rover of North America Inc.

Range Rover of Canada's five-person office is slated to open this week, when dealers are scheduled to get their first shipments. Dealers will be linked by computer to headquarters "and can perform all business reporting directly, including parts ordering," Ball said.

The company has an agreement with Caterpillar Inc. for parts storage and shipment, Ball said. The system will enable any dealer to receive parts within 24 hours.

Ottawa and Winnipeg, Manitoba, are likely expansion targets.

Ball joined Land Rover Ltd. in 1970. After managing Range Rover's U.S. introduction, he became U.S. marketing director and then zone manager for the North

Import sales dip 11%; Japan, Korea, Europe share loss

By Kristine Stiven Breese
AUTOMOTIVE NEWS STAFF REPORTER

Sales malaise struck importers last month as import car sales fell 11.39 percent to 230,273 units.

Europe, Japan and Korea all fielded more losers than gainers during May's 26 selling days. But most Japanese makers more than made up for declining imports with increases in sales of their North American-built products.

Sales of European imports dropped 15.08 percent, Japanese cars fell off 9.28 percent and Korean makes were off 17.93 percent in May compared with the year-ago period.

The relatively tiny winners' circle included Audi, BMW, Volvo, Mercedes-Benz, Suzuki, Mitsubishi and Acura. Of those, Audi had the biggest percentage increase, 19.63 percent.

As an example of the effect transplant production is having on the industry, imported Honda-badged cars were off 9.80 percent, and the import version of the popular Accord fell 7.51 percent. Still, the division had its best month ever, selling 70,411 Accords, Civics and Preludes. Accords and Civics are built in North America. Sales of the aging Prelude, which is imported, fell 17.52 percent.

In another example, Toyota's import sales declined 18.00 percent, with big drops in the Corolla, Camry and Cressida lines. Yet Toyota's overall import and North-American built sales, not counting Lexus, jumped 27.13 percent.

Nissan continued to struggle, despite an impressive turnaround in Stanza sales. Stanza sales jumped 57.63 percent to 8,744, while sales of imported Sentras, Pulsars, 240SXs and 300ZXs each fell more than 30 percent.

Nissan's combined sales for import and domestically built cars, excluding Infiniti, fell 13.20 percent to 40,817.

Mitsubishi's 12.64 percent jump in import sales was due in large part to the strong performance of the Galant.

The Miata continued to sell well for Mazda — 4,103 sales in May — but its import total was down 1.48 percent to 15,929 in May. The biggest factor was a decline in sales of imported 626 models. The 626 now is assembled in the United States. U.S.-built cars pushed overall Mazda sales up 5.78 percent for the month.

Hyundai saw an 11.89 percent jump in Sonata sales to 3,068, but that could not offset a 24.11 percent plunge by Excel. Hyundai's total was down 18.04 percent from May 1989.

On the European front, strong models included the Audi 80, up 62.28 percent; BMW's 5 series, up 9.46 percent; the Mercedes-Benz 560SEC, up 45.54 percent; Porsche's 911 Carrera 4, up 41.84 percent; and the Volvo 740 series, up 26.86 percent. The 740 was Volvo's only gainer in a month that saw overall Volvo sales increase 6.77 percent.

For the first five months of 1990, import-car sales totaled 1,045,699, down 9.15 percent from last year. Sales of South Korean makes plunged 27.19 percent for the period. Sales were down 4.55 percent for Japanese makes and 1.93 percent for European entries.

MARKET SHARES
Domestic, Import cars

	May 1990 Sales	Pct. of Total
Subcompact	216,651	24.84
Compact	230,553	26.45
Intermediate	295,040	33.83
Standard	113,302	12.99
Specialty	16,476	1.89
TOTAL	872,022	100.00

IMPORT SALES BY MODEL

	May 1990	May 1989	5 Mos., 1990	5 Mos., 1989
ACURA	13,792	13,483	58,109	56,982
Integra	8,076	8,404	34,980	30,855
Legend	5,716	5,079	23,129	26,127
ALFA ROMEO	148	223	904	1,465
Milano	4	47	22	610
Spider	144	176	882	855
ASTON MARTIN*	5	5	25	25
AUDI	2,060	1,722	8,526	7,413
4000	0	3	0	35
5000	1	22	11	194
80	469	289	1,874	2,098
90	343	391	1,442	2,121
V8 Quattro	154	0	703	0
Coupe Quattro	100	0	385	0
100/200	820	828	3,378	2,249
100/200 Quattro	173	189	733	716
BMW	5,746	5,632	26,042	29,008
3-Series	2,885	2,884	12,314	14,040
5-Series	1,979	1,808	9,585	9,049
635 CSi	20	146	184	663
7-Series	726	658	3,499	4,289
M3	79	79	354	498
M5	57	23	100	202
M6	0	34	6	267
CHEVROLET/GEO	13,650	11,271	67,620	47,280
Geo Storm/Spectrum	3,970	5,975	35,996	24,859
Geo Metro/Sprint	9,680	5,296	34,260	22,421
CHRYSLER MOTORS	5,738	9,879	26,725	49,278
Colt	3,568	5,515	14,638	27,389
Conquest	65	670	728	2,856
Medallion	32	429	349	3,263
Summit	1,338	1,827	6,536	9,289
Vista	440	1,275	2,601	5,945
TC	295	163	1,873	536
DAIHATSU	721	1,227	5,180	5,622
FERRARI*	80	80	320	400
FORD Festiva	4,323	5,660	25,751	31,440
HONDA	23,574	26,134	98,210	100,690
Civic/CRX	6,984	7,581	26,485	28,253
Accord	11,897	12,863	56,158	51,402
Prelude	4,693	5,690	15,567	21,035
HYUNDAI	13,322	16,254	58,144	82,753
Excel	10,254	13,512	44,897	73,639
Sonata	3,068	2,742	13,247	9,114
ISUZU	335	1,975	1,485	8,044
I-Mark	129	1,356	827	6,215
Impulse	206	619	638	1,829
INFINITI	2,115	0	7,471	0
M30	546	0	2,566	0
Q45	1,569	0	4,905	0
JAGUAR	1,575	1,650	7,918	7,477
XJ6	1,125	1,267	5,773	5,609
XJS	450	383	2,145	1,868
LAMBORGHINI*	13	13	65	65
LEXUS	5,102	0	23,386	0
ES 250	1,860	0	7,609	0
LS 400	3,242	0	15,777	0
LOTUS*	27	27	135	135
MASERATI*	20	28	100	116
MAZDA	15,929	16,169	68,661	74,231
323	2,126	6,006	8,978	33,576
Protege	4,736	0	18,309	0
626	1,163	6,638	13,365	21,938
MX-6	20	118	70	1,579
Miata	4,103	45	16,449	45
929	2,321	1,924	6,879	8,851
RX-7	1,460	1,438	4,611	8,242
MERCEDES BENZ	6,585	6,104	30,615	29,186
190	1,093	1,397	5,279	5,238
300E 2.6/260E	157	398	920	1,724
300	2,189	1,632	10,253	9,078
300 SE	618	523	2,844	2,706
350SDL Turbo	66	0	66	0
300SEL	322	371	1,603	1,635
420SEL	605	474	2,793	2,616
560SEL	377	384	1,986	2,038
SL Coupe	780	729	3,609	3,274
560SEC	183	112	745	612
Tourist	215	83	517	266
MERCURY/MERKUR	891	7,696	7,878	29,206
Tracer	555	7,006	5,256	25,235
XR4Ti	0	499	198	2,375
Scorpio	336	191	2,424	1,596
MITSUBISHI	9,817	8,715	52,079	31,261
Starion	1	69	12	511
Cordia	0	8	0	327
Tredia	0	0	0	10
Mirage	4,230	3,667	29,396	7,383
Galant	4,865	3,267	19,077	14,672
Sigma	268	0	978	0
Precis	361	1,538	2,524	7,547
Van/Wagon	92	166	92	811
NISSAN	30,175	37,829	139,715	170,310
Sentra	4,967	9,243	31,718	53,807
Pulsar	382	2,571	3,122	11,009
Stanza	8,744	5,547	29,532	18,291
Maxima	8,556	9,381	43,057	44,542
240SX/200SX	5,088	7,307	20,842	31,140
300ZX	2,120	3,562	9,963	9,580
Hawaii	318	218	1,481	1,302
PEUGEOT	443	582	2,021	2,586
PONTIAC LeMans	4,622	5,218	14,365	20,759
PORSCHE	913	1,003	4,287	3,598
924S/944	15	17	148	77
944S	197	40	905	85
944 Turbo	43	88	396	295
911 4 Coupe/Targa/Cabriolet	400	282	1,574	976
911 Turbo	0	174	6	575
911 2 Coupe/Targa/Cabriolet	201	158	889	682
928S	57	97	313	370
ROLLS/BENTLEY*	100	100	500	500
SAAB	1,932	3,196	10,450	13,807
900	431	449	1,801	2,061
900S	578	707	2,108	2,975
900 Turbo	514	901	3,232	4,101
9000S	122	264	812	1,252
9000 CD	191	542	1,468	1,438
9000 Turbo	73	301	969	1,636
Tourist	23	32	56	344
STERLING	320	653	2,025	2,788
SUBARU	6,549	10,181	40,533	60,488
Hatchback	13	112	130	1,331
3-Door	33	351	159	2,788
4-Door Sedan	39	2,816	275	19,967
Legacy	1,614	2,607	21,848	3,210
Loyale	4,164	1,464	10,118	2,402
XT/XT6	78	617	677	4,425
Station Wagon	52	1,011	143	15,819
Justy	556	1,203	7,117	10,545
SUZUKI	515	460	2,568	2,460
TOYOTA	34,300	41,828	156,575	178,709
Corolla	7,167	11,988	38,742	44,023
Tercel	9,040	8,336	42,826	40,080
Celica	8,066	4,899	35,889	23,227
Supra	634	1,415	3,352	6,992
Camry	6,485	12,821	26,338	53,325
Cressida	1,016	1,757	4,204	8,697
MR2	1,892	612	5,224	2,425
VOLKSWAGEN	14,343	14,692	53,730	55,289
Cabriolet	1,113	1,467	3,849	4,683
Corrado	562	0	2,089	0
Jetta	6,900	6,174	25,632	23,356
Golf/GTI	1,584	2,673	5,928	9,279
Passat	1,660	0	5,842	0
Quantum	3	129	26	884
Scirocco	1	96	9	737
Fox	2,540	4,153	10,764	18,559
VOLVO	9,885	9,258	40,321	43,348
240 Series	3,251	3,714	14,757	17,511
740 Series	5,063	4,464	21,404	19,258
760 Series	751	805	3,438	5,611
780	88	157	357	768
Tourist	134	108	365	860
YUGO	808	936	3,192	4,287
TOTAL IMPORTS	230,273	259,863	1,045,714	1,151,088

*Estimate

Compiled by Ward's Automotive

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Auto rebate war continues to heat up

By Arlena Sawyers and Laura Clark
AUTOMOTIVE NEWS STAFF REPORTERS

The incentive war raged on last week, as Oldsmobile, Sterling Motor Cars and Ford Motor Co. announced new and/or adjusted consumer rebates and dealer incentives.

Oldsmobile stepped up its efforts in the already intense minivan battle with a $1,000 consumer rebate on its 1990 Silhouette until Aug. 2.

Other customer rebates on minivans include Ford Aerostar, $700; Pontiac Trans Sport, $1,000; and Chevrolet Lumina APV, $900. Chrysler Corp. is giving its dealers a $500 rebate on Chrysler Town & Country, Dodge Grand Caravan and Plymouth Grand Voyager.

In lieu of the rebate, Silhouette buyers may choose finance rates of 7.9 percent for contracts up to 48 months and 10.9 percent for contracts of 49 to 60 months.

Oldsmobile also is paying dealers up to $1,250 on Silhouette sales, based on the number sold. That program also is scheduled to end Aug. 2.

Sterling Motor Cars is offering buyers free financing on 24- and 36-month loans, 2.9 percent to 11 percent financing on 48-month loans and 4.9 percent to 11 percent on 60-month loans, depending on the amount of the downpayment.

Sterling also offers three-year/36,000-mile free-maintenance leasing. The programs expire Sept. 15 and include all models except the limited-production Oxford edition. The $5,000 buyer rebate on 1989 Sterlings has been extended until Sept. 30.

Ford Motor announced that it will give dealers an extra $200 rebate on Ford Crown Victoria and Mercury Grand Marquis models if they sell their quotas of 1990 and 1991 Escorts and 1989, 1989½ and 1991 Tracers.

Dealers must reach their Escort and Tracer quotas between June 12 and July 9 to receive the extra rebate on the big cars.

Ford already has a dealer rebate on 1989, 1990 and 1991 Crown Victoria and Grand Marquis models sold or leased from June 14 to July 9. The payments are: one to two units, $100; three units, $200; four units, $300; five or more units $500.

Residents of Alaska, Washington, Oregon, California and Hawaii are not eligible for the additional cash incentive on Crown Victoria and Grand Marquis.

Also through July 9, Lincoln-Mercury dealers earn an additional $1,000 on sales of 1990 Grand Marquis and $600 on sales of 1990 Lincoln Continentals.

Ford extended regional customer incentives on Red Carpet leases on Ford F-series pickups and the Ford Probe until Aug. 8. The incentive on the pickups is offered in Texas, Oklahoma and Louisiana. The Probe incentive applies in Alaska, Hawaii, Washington, Oregon, California, Montana, Idaho, Nevada, Utah, Arizona, Wyoming, Colorado and New Mexico.

Ford is offering special Red Carpet leases on 1991 Escorts and 1991 Crown Victorias from June 14 to Aug. 8.

Persons who lease a Ford Taurus for 25 to 36 months will receive $500. The program began June 14 and ends Aug. 8.

INCENTIVE WATCH

DEALER INCENTIVES

	Rebate	Expiration Date
Chrysler Corp. (1990 models)		
Grand Caravan, Grand Voyager, Town & Country	$500	July 17
Dodge Shadow, Plymouth Sundance	$750	Aug. 31
Ford Motor Co. (1990 models)		
Taurus SHO	$1,000	July 9
Tempo	$250	July 9
Grand Marquis	$1,000	July 9
Continental, Mark VII	$600-$1,000	July 9
Ford Motor Co. (1989-1991 models)		
Crown Victoria, Grand Marquis	$100-$500 based on number sold*	July 9
*$200 extra on each sale if dealer meets Escort/Tracer sales quota.		
General Motors (1990 models)		
Buick Estate Wagon	$1,000	Aug. 2
Corvette	$2,000-$4,000 based on sales	July 9
Chevrolet Geo, Celebrity	$500-$1,000	July 9
Geo Tracker	$1,000	July 9
Oldsmobile Cutlass Supreme, 88, Custom Cruiser, 98, Silhouette	$750-$1,250, based on sales	Aug. 2
Pontiac Firebird	$500	Aug. 2
Audi (1990 models)*	$2,000-$3,000	June 30
*Dealer has option of foregoing cash incentive and offering cut-rate financing to customer.		
Honda (1990 models)		
Civic	$300-$600, quota	June 30
CRX; Prelude	$500	June 30
Hyundai Excel (1989-90)	$200, quota	July 10
Isuzu (1990 models)		
Pickups*	$800-$1,300 based on number sold	June 30
Trooper	$900-$1,400 based on number sold	June 30
*$200 extra on 4wd models		
Mitsubishi (1989-1990 models)		
Cars, trucks*	$500-$2,000 based on number sold	June 30
*Payments vary by regions.		
Nissan (1990 models)		
Sentra, Stanza	$300-$1,500	Aug. 2
Trucks	$1,000	Aug. 2
Axxess	$1,000-$1,500	Aug. 2
Saab (1990 models)		
9000 Series	$1,500-$4,000, quota	July 31
Subaru (1990 models)		
Justy ECVT	$500	July 3
Loyale	$400	July 3
Legacy	$400-$1,200, based on sales	July 3
Suzuki (1989-90 models)*		
Swift	$400-$2,000	Aug. 2
Samurai	$1,000	Aug. 2
Sidekick	$1,000-$2,500**	Aug. 2
*Customer rebate or dealer rebate; dealer's choice. **$3,000 in California		
Toyota (1989-1990 models)		
Tercel, Corolla, Camry	$300-$700, quota	July 3
Trucks	$500-$900, quota	July 3
Note: Some makers offer rebates to dealers on sales of 1989 and 1990 models. These programs are omitted from this table because of the limited number of these vehicles still in dealers' hands.		

BUYBACK

FROM PAGE 1

ations, said if the program is offered every year, Hertz may have to close a few of its resale lots.

"If we convince ourselves that the 100 percent repurchase program will be around for some years to come, it may not be economically advantageous for us to retail as large a volume in the future," Koch said.

Koch said Hertz customers like newer cars. If Hertz can use a car or truck for Ford's minimum four-month period, then sell it back for a predetermined price, it may make economic sense to do so.

Ford Credit officials estimate that the program will put about 100,000 more cars and trucks through factory-sponsored auctions annually than in the past. Ford sold 160,000 to 170,000 former rental cars and trucks through factory-sponsored auctions in the 1990 model year.

In the past, Ford has repurchased 50 to 75 percent of the cars and trucks sold to daily rental-car companies, depending on the model. Bill Willis, general fleet manager for Ford Division, said Ford would typically repurchase its higher-volume fleet cars to help used-car values.

Dave Osterhoff and Jerry Homeszyn, Ford Credit remarketing managers, said Ford may have to expand its number of auctions and vehicles per auction in the future because of the additional vehicles going through the auction houses. Ford currently uses 43 auctions, according to Willis.

The program will also affect prices. Willis said Ford intends to pay rental companies a higher percentage of the original price of the vehicle.

In a June 18 dealer memorandum, Ford said Escort and Tracer may be added to the program when production is higher.

A Ford spokesman said the Festiva will not be part of the repurchase program because of the limited profit on the car, and Capri will not be included because of limited production in Australia. Mustang GT is not included because of limited appeal to rental companies.

Vehicles in the program must be equipped in a manner that will help Ford resell them. Specific items have not been announced.

Participating companies must order at least 10 Ford or Lincoln-Mercury vehicles per account or licensee. Ford will absorb up to $350 for sheet metal and paint repairs and damaged parts. Ford will not give a bonus to rental companies that dispose of the cars themselves, as in the past.

Ford is also instituting graduated mileage charges on vehicles returned with more than 20,000 miles, up to 25 cents for every mile over 30,000 miles retroactive to 20,001.

Ford Rent-A-Car System vehicles — or vehicles that are part of the dealership's own rental car agency — are not eligible for repurchase.

Ford dealers were enthusiastic about the new program. Some said it will allow them to compete with the resale lots operated by the daily rental companies. Dealers had argued that those lots were selling low-mileage, nearly new cars at thousands of dollars below new cars on dealers' lots.

"I have three rental car resale operations near my dealership. I'm sure if they go away, my used-car business is bound to increase," said Joe David Pacifico, general manager of Pacifico Ford in Philadelphia, which sold 10,402 Ford fleet vehicles in 1989.

Daily rental companies receive large fleet discounts or incentives because they buy in large quantities. Manufacturers like the daily rental business because it helps them smooth out the peaks and valleys of retail sales and helps to keep their factories running.

Elvin Pool, general manager of McInerney Ford in Orlando, Fla., a large Ford fleet dealer, said the profit potential on the cars he sells to the rental companies could rise from $25 to $200.

"I think the new battleground for market share is going to be in these nearly new cars," said Peter Lukasiak, executive director of National Auto Auction Association in Monrovia, Md.

OBITUARIES

George F. Addes

DETROIT — George F. Addes, the first elected secretary-treasurer of the UAW, died June 19 at age 79. Addes was elected in 1936 and served in that position until 1947. UAW President Owen Bieber hailed Addes as "a union pioneer and a lifelong champion of working men and women."

William Toombs Richardson

OKLAHOMA CITY — William Toombs Richardson, retired former owner of Dub Richardson Ford, Inc. and a former president of the Oklahoma Automobile Dealers Association, died May 17. He was 76.

Ansel Lyon Nowell

CASA GRANDE, Ariz. — Ansel Lyon Nowell, former owner of Nowell Motors in Casa Grande, died April 26. He was 88.

Edward Roy Jarman

PORTLAND, Ore. — Edward Roy Jarman, former owner of Chevrolet dealerships in Coos Bay and Oregon City, died in Palm Springs, Calif. He was 91.

PARTS

FROM PAGE 2

competition in only a small part of the market so far, Ingham said it has already saved consumers hundreds of millions of dollars.

While State Farm's Ingham said quality of the non-OEM parts is the same as OEM parts, Myers said Ford's tests show the former are "frequently are made of inferior metal, have variations in fit and finish and inadequate corrosion or rust protection."

Myers accused the Certified Automotive Parts Association, set up three years ago by the insurance industry to test crash parts, of having "vague" standards that apply "only to appearance — not to strength, safety or rust-protection."

Inferior quality, said Myers, affects the automaker's reputation, and consumers often do not know their manufacturer's warranty does not include an "imitation body panel part or other damage resulting from the use of such parts."

Ingham said that Certified Automotive Parts Association testing is done by the independent Detroit Testing Laboratory, which not only tests parts but inspects manufacturing plants as well. Moreover, State Farm warrants the CAPA-certified parts for fit and corrosion problems for the life of the car.

> Non-OEM parts can be cheaper because their producers do no research or design and they make only high-volume parts.
>
> **Kenneth Myers**
> Ford Motor Co.

Myers said non-OEM parts can be cheaper because their producers do no research or design and they make only high-volume parts. In contrast, vehicle makers stock a complete line for vehicles no longer in production. Ford alone has more than 2,000 panel parts, including 191 different fenders and 387 different fronts and grilles.

Myers said there is "no credible evidence" that insurers pass cost savings on to consumers. "From 1982 to 1989, the total value of sheet metal imported from Taiwan increased fivefold; insurance rates still increased 68 percent, twice the rate of inflation."

PRODUCTION

Makers face 2nd trucker blockade

By Anne Wright
AUTOMOTIVE NEWS CHIEF STATISTICIAN

U.S. and Canadian automakers may face another cut in vehicle production as independent Canadian truckers threaten a blockade at both the bridge and tunnel that link Detroit and Windsor, Ontario.

The blockade may occur by Thursday if the Canadian government fails to meet with the blockade leader on issues that led to a protest in May.

At that time, the Canadian truckers demonstrated against their government's policies which, they say, undercut their ability to compete with U.S. truckers. Plants in the United States and Canada ran low on parts and were forced to close or reduce working hours.

Last week, U.S. auto production was scheduled at 145,014, 0.36 percent above the prior week and 2.78 percent above the same week a year ago.

Domestic truck production was estimated at 93,819 units last week, 1.10 percent below the previous week but 12.52 percent above last year.

Companies split last week's targeted car output as follows: General Motors, 45.85 percent; Ford Motor Co., 24.05 percent; Chrysler Corp., 11.93 percent; Honda of America Manufacturing Inc., 6.19 percent; Toyota Motor Manufacturing U.S.A. Inc., 3.03 percent; New United Motor Manufacturing Inc., 2.83 percent; Mazda Motor Manufacturing Corp. U.S.A., 2.74 percent; Diamond-Star Motors Corp., 1.96 percent; Nissan Motor Manufacturing Corp. U.S.A., 1.08 percent; and Subaru-Isuzu Automotive Inc., 0.34 percent.

GM scheduled Friday overtime at Janesville, Wis., and Saturday overtime at Lansing (A), Mich.

Ford scheduled daily overtime at its Wayne and Wixom, Mich., car plants and all truck facilities.

Saturday overtime was slated at Ford's Wayne, Mich., car plant and its Louisville, Ky., truck plant.

Car production rises in Canada

Canadian automakers, like their Detroit neighbors, are monitoring another possible border blockade by independent Canadian truckers.

Big 3 assembly plants will begin model changeover Friday and may not be affected as severely as parts suppliers to the United States.

Canadian automakers scheduled 26,168 units last week, 3.09 percent, above the previous week and 14.59 percent above the year-ago week.

So far this year, 518,595 cars have been produced, 2.78 percent above last year's total at this time.

Estimated truck production last week was 20,092 units, 4.92 percent below the prior week and 6.29 percent below the year-ago week.

Year-to-date, 456,578 trucks have been assembled, 8.81 percent behind last year's total.

Chrysler's Windsor, Ontario, plant will close for model changeover Friday. The plant assembles Caravan and Voyager minivans.

U.S. CAR	Week Ended June 23, 1990	Week Ended June 24, 1989	Week Ended June 16, 1990	June to Date	Jan. 1 to June 23, 1990	Jan. 1 to June 24, 1989
Horizon	0	1,091	0	0	4,327	10,336
Sundance	2,000	2,639	2,519	7,232	39,220	59,822
Acclaim	3,100	3,267	3,192	10,156	49,643	64,566
Total Plymouth	5,100	6,997	5,711	17,388	93,190	134,724
LeBaron A	0	0	43	0	9,325	0
LeBaron J	1,400	0	1,404	4,461	22,818	55,273
LeBaron GTS	0	0	0	0	0	2,946
N. Yorker C-Class	1,500	2,473	1,558	5,034	21,236	54,772
Fifth Avenue	900	0	889	2,842	15,935	0
Imperial	200	0	211	751	8,053	0
Total Chrysler	4,000	2,473	4,062	13,132	77,367	112,991
Omni	0	935	0	0	4,078	11,802
Daytona	900	0	951	2,944	16,264	46,536
Shadow	2,500	2,208	3,163	9,107	45,867	57,175
Dynasty	2,600	3,999	2,606	8,422	56,872	79,076
Lancer	0	0	0	0	0	1,526
Spirit	2,200	1,963	2,368	7,398	46,723	56,317
Total Dodge	8,200	9,105	9,088	27,871	169,804	252,434
CHRYSLER MOTORS	17,300	18,575	18,861	58,390	340,361	500,149
Escort	5,682	8,216	3,452	14,455	102,009	168,188
Mustang	3,705	4,544	3,668	11,658	73,047	113,691
Tempo	3,340	2,864	3,255	10,296	68,778	78,294
Taurus	7,393	8,032	8,046	25,008	181,212	197,330
Thunderbird	3,247	2,843	2,785	9,247	59,482	85,818
Total Ford Div.	23,367	26,499	21,206	70,664	484,528	643,321
Topaz	1,060	1,536	1,150	3,613	25,615	35,716
Cougar	2,343	2,636	2,791	8,306	40,468	71,542
Sable	3,067	2,484	2,434	8,182	53,552	64,043
Total Mercury	6,490	6,656	6,375	20,101	119,635	171,301
Continental	1,508	1,426	1,527	4,813	29,485	36,116
Mark VII	502	446	510	1,540	12,351	12,750
Town Car	3,003	2,819	3,063	9,590	80,745	67,058
Total Lincoln	5,013	4,691	5,100	15,942	122,581	115,924
Total L-M Div.	11,503	11,347	11,475	36,043	242,216	287,225
FORD MOTOR CO.	34,870	37,846	32,681	106,707	726,744	930,546
Skyhawk	0	0	0	0	0	6,857
Skylark/Somerset	2,212	1,316	2,353	6,926	45,080	29,757
Century	1,698	2,767	1,651	5,295	34,077	62,262
Riviera	483	0	560	1,637	11,775	11,348
Electra	743	1,344	597	2,358	16,281	41,994
LeSabre (fwd)	3,453	4,038	4,315	12,726	84,084	76,819
LeSabre (rwd)	0	94	163	488	4,020	7,957
Reatta	211	0	211	667	4,477	3,140
Total Buick	8,800	9,559	9,850	30,097	199,794	240,134
Eldorado	473	0	569	1,608	10,902	19,104
Seville	1,139	0	1,324	3,815	19,695	13,996
Brougham (rwd)	0	626	0	0	13,065	19,375
DeVille (fwd)	3,775	4,022	3,689	11,963	85,453	109,319
Allante	89	0	89	283	1,892	1,588
Total Cadillac	5,476	4,648	5,671	17,669	131,007	163,382
Cavalier	8,661	6,951	8,594	27,651	164,216	194,364
Camaro	2,145	2,763	2,114	6,620	33,262	63,361
Celebrity	0	2,297	0	0	0	66,463
Corsica/Beretta	6,180	8,951	6,218	19,568	139,237	212,354
Caprice	6,020	4,107	5,708	18,294	105,974	101,724
Corvette	553	560	540	1,736	11,923	13,256
Total Chevrolet	23,559	25,629	23,174	73,869	454,612	651,522
Calais	2,836	2,074	2,970	8,776	50,582	49,624
Cutlass Ciera	1,910	1,954	1,950	6,156	39,536	43,850
Cutlass Supreme	1,733	0	1,950	6,000	41,981	51,125
Toronado	257	0	300	862	6,807	4,845
88 (fwd)	3,284	2,938	2,652	9,055	51,422	61,565
88 (rwd)	0	266	0	0	2,295	4,244
98	1,425	1,032	1,197	4,318	28,771	40,902
Total Oldsmobile	11,445	8,264	11,019	35,168	223,394	276,155
Sunbird	3,864	3,169	3,653	12,773	76,384	77,440
Grand Am	5,280	4,580	5,375	16,841	100,485	125,082
Firebird	1,365	1,354	1,328	4,279	20,693	34,681
Grand Prix	3,200	0	3,192	10,037	56,528	69,565
Pontiac 6000	1,383	884	1,431	4,494	29,465	41,408
Bonneville	2,112	2,584	1,697	5,845	40,753	49,672
Safari/Parisienne	0	0	0	0	0	2,690
Total Pontiac	17,204	12,571	16,676	54,269	324,308	400,538
GENERAL MOTORS	66,484	60,671	66,390	211,072	1,333,115	1,731,731
DIAMOND-STAR	2,843	1,532	2,495	8,585	69,229	24,984
HONDA	8,975	7,733	9,366	28,415	215,644	190,546
Civic	2,340	2,729	2,597	7,761	60,021	64,666
Accord	6,635	5,004	6,769	20,654	155,623	125,880
MAZDA†	3,979	4,359	3,819	12,149	86,447	116,169
NISSAN	1,570	2,813	1,733	5,107	48,480	59,171
NUMMI	4,100	4,115	4,227	13,436	102,921	99,171
Corolla	2,000	1,621	2,034	6,527	51,774	40,017
Geo Prizm/Nova	2,100	2,494	2,193	6,909	51,147	59,154
SUBARU-ISUZU	495	0	514	1,532	12,535	0
TOYOTA	4,398	3,442	4,406	13,931	107,778	55,326
Total Cars, U.S.	145,014	141,086	144,492	459,324	3,043,254	3,707,793
Total Cars, Canada	26,168	22,836	25,384	81,905	518,595	504,587
U.S., Canada Cars	171,182	163,922	169,876	541,228	3,561,849	4,212,380
U.S., Canada Cars and Trucks	285,093	268,742	285,868	905,171	6,025,645	6,931,075

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes MX-6, 626, and Ford Probe
*—Estimated

CANADIAN CAR	Week Ended June 23, 1990	Week Ended June 24, 1989	Week Ended June 16, 1990	June to Date	Jan. 1 to June 23, 1990	Jan. 1 to June 24, 1989
Monaco	0	0	0	0	5,132	0
Premier	0	1,140	0	0	2,808	22,615
CHRYSLER MOTORS	0	1,140	0	0	7,940	22,615
Tempo	3,360	3,343	3,273	10,461	64,844	72,692
Topaz	1,440	1,440	1,162	4,047	24,107	30,780
Crown Victoria	2,825	2,504	2,503	8,570	61,193	66,277
Grand Marquis	1,975	2,383	2,119	6,708	55,132	72,008
FORD MOTOR CO.	9,600	9,670	9,057	29,786	205,276	241,757
Celebrity	1,229	822	1,248	3,891	15,138	10,654
Cutlass Ciera	2,509	2,101	2,500	7,848	42,440	82,599
Lumina	5,305	5,241	5,441	17,034	110,029	57,334
Regal	3,495	1,423	3,139	10,252	42,241	38,793
GENERAL MOTORS	12,538	9,587	12,328	39,025	209,848	189,380
HONDA	2,150	1,803	2,206	7,071	52,002	40,700
HYUNDAI	400	0	249	1,233	9,067	0
TOYOTA	1,300	456	1,366	4,215	30,073	5,812
VOLVO	180	180	178	574	4,389	4,323
Total Cars, Canada	26,168	22,836	25,384	81,905	518,595	504,587

U.S. TRUCK	Week Ended June 23, 1990	Week Ended June 24, 1989	Week Ended June 16, 1990	June to Date	Jan. 1 to June 23, 1990	Jan. 1 to June 24, 1989
Caravan	2,100	2,298	2,155	7,224	56,144	55,995
Dakota	1,500	0	1,599	5,327	37,577	55,031
Caravan C/V	100	147	187	542	3,577	4,406
Ram pickups	2,300	0	2,399	8,019	55,562	55,132
Total Dodge	6,000	2,445	6,340	21,113	152,860	170,564
Cherokee	4,000	4,355	4,033	12,914	84,418	117,589
Comanche	200	521	185	652	4,014	16,093
Grand Wagoneer	300	160	315	926	3,245	6,993
Wagoneer	100	102	144	420	2,118	4,292
Total Jeep	4,600	5,138	4,677	14,911	93,795	144,967
Voyager	1,800	2,126	1,842	6,315	52,921	53,019
Town & Country	50	211	100	300	1,805	1,191
Total C-P Div.	1,850	2,337	1,942	6,615	54,726	54,210
CHRYSLER MOTORS	12,450	9,920	12,959	42,639	301,381	369,741
Aerostar	4,967	4,362	5,658	16,151	102,439	123,376
Bronco	1,235	1,357	1,182	3,855	27,061	41,620
Bronco II	6,670	2,958	5,415	19,642	82,227	66,887
Econoline	4,414	4,989	4,744	14,656	99,214	124,857
Mediums/Heavies	1,301	1,302	1,549	4,395	27,185	33,984
Light trucks	10,726	11,635	10,671	34,073	230,626	280,853
Ranger	6,353	7,641	5,822	19,698	147,684	175,857
Total Ford Div.	35,666	34,244	35,041	112,469	716,436	845,434
FORD MOTOR CO.	35,666	34,244	35,041	112,469	716,436	845,434
Astro	2,772	3,000	2,742	8,911	58,507	84,320
Blazer	377	570	358	1,159	8,653	14,250
Lumina APV	2,123	0	2,108	6,526	49,355	0
Mediums/Heavies	267	0	358	996	5,044	1,312
P-Model	627	860	571	1,930	12,664	17,915
Pickups	7,204	7,586	7,364	23,085	172,950	200,385
S-10	4,888	5,630	5,253	15,432	115,218	134,337
S-10 Blazer	4,160	4,018	5,122	13,526	69,340	96,414
Sportsvan/Van	1,939	1,951	1,793	5,684	35,104	48,712
Suburban	1,458	1,595	1,418	4,552	33,517	39,819
Total Chevrolet	25,815	25,210	27,087	81,806	560,352	637,464
Jimmy	120	165	110	362	2,757	4,292
Mediums/Heavies	613	0	492	1,874	8,684	1,496
P-Model	73	90	61	202	1,512	2,401
Pickups	2,673	2,518	2,415	8,131	60,913	59,951
S-15	1,088	565	1,107	3,254	27,534	32,331
S-15 Jimmy	1,457	1,120	1,316	4,486	21,905	27,451
Safari	1,248	749	1,292	3,736	21,010	21,748
Suburban	975	610	924	3,337	16,615	15,805
Vandura/Rally Vans	521	546	717	2,006	12,324	13,264
Total GMC	8,768	6,363	8,434	27,389	173,254	178,739
Olds Silhouette	1,218	0	1,200	3,645	17,793	0
Pontiac Trans Sport	1,090	0	1,080	3,322	26,896	0
GENERAL MOTORS	36,891	31,573	37,801	116,165	778,295	816,203
NAVISTAR	1,582	1,739	1,554	5,039	36,007	43,897
NISSAN	3,230	2,453	3,557	10,518	75,827	63,159
SUBARU-ISUZU	550	0	499	1,536	12,332	0
AM GENERAL*	450	450	450	1,440	11,340	10,980
MISCELLANEOUS*	3,000	3,000	3,000	9,600	75,600	68,600
Total Trucks, U.S.	93,819	83,379	94,861	299,406	2,007,218	2,218,014

CANADIAN TRUCK	Week Ended June 23, 1990	Week Ended June 24, 1989	Week Ended June 16, 1990	June to Date	Jan. 1 to June 23, 1990	Jan. 1 to June 24, 1989
Caravan	2,880	2,942	3,700	10,127	79,715	75,140
Caravan C/V	0	390	0	24	5,619	6,524
Ram Wagon	738	695	716	2,287	13,995	14,417
Ram Van	1,566	1,745	1,610	5,054	30,520	37,310
Total Dodge	5,184	5,772	6,026	17,492	129,849	133,391
Voyager	2,240	2,907	2,602	7,521	64,103	68,958
Total Plymouth	2,240	2,907	2,602	7,521	64,103	68,958
Wrangler	1,500	1,922	1,677	5,123	29,128	41,949
Total Jeep	1,500	1,922	1,677	5,123	29,128	41,949
CHRYSLER MOTORS	8,924	10,601	10,305	30,136	223,080	242,298
FORD MTR (lt. trks.)	3,648	3,550	3,592	11,496	74,127	86,027
Light trucks	3,818	3,782	3,721	11,751	85,655	79,606
Vans	1,475	1,495	1,243	4,305	24,684	33,126
Total Chevrolet	5,293	5,277	4,964	16,056	110,339	112,732
Light trucks	1,527	1,065	1,610	4,771	32,924	37,012
Vans	475	677	433	1,582	11,058	16,303
Total GMC	2,002	1,742	2,043	6,353	43,982	53,315
GENERAL MOTORS	7,295	7,019	7,007	22,409	154,321	166,047
NAVISTAR	225	271	227	496	5,050	6,309
Total Trks., Canada	20,092	21,441	21,131	64,537	456,578	500,681
U.S., Canada Trks.	113,911	104,820	115,992	363,943	2,463,796	2,718,695

*—Estimated
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mitsubishi-Fuso, etc.